

Remarks of Chairman Mike Cooper,
Washington Oil Spill Advisory Council

Good morning, I am Mike Cooper, Chairman of the Washington Oil Spill Advisory Council. Today is an historic next step in protecting Washington waterways from oil spill pollution.

In the years since the Exxon Valdez spill in Alaska and the Tenu Maru incident on our own coast, our state Legislature and the Department of Ecology (Ecology) have worked hard to pursue tougher standards to protect our precious natural, cultural, and economic resources through rule writing, a part time tug at Neah Bay, and agreements with the federal government. However, the question still lingers: can we do more? Is the federal government doing enough? Should the State have a greater ability to protect our waterways without federal interference?

After we experienced two nearly catastrophic incidents in a one-year period at Point Wells and Dalco Passage, the Legislature and the Governor said that we must do more if we are going to avoid an environmental and cultural disaster like that caused by the Exxon Valdez, and if we are going to prevent the cumulative impacts of ongoing small oil spill pollution. That led to a legislative directive for the State to adopt a “zero spill strategy” for our waters. Finally, last year our leaders took an important step and created the Oil Spill Advisory Council, a diverse group of stakeholders including tribes, local governments, environmental organizations, and the maritime industry. Our charge was clear; deliver a report to the Governor, the Legislature, and Ecology, with recommendations for ways to improve the State’s oil spill prevention, preparedness, and response activities. Additionally, we were asked to deliver a one-time report, setting forth recommendations for long-term and sustainable funding for the Council’s activities and for oil spill preparedness and response.

It is an honor for me, today, to present this report. These common-sense recommendations we are presenting to Governor Gregoire, the Legislature, and the Ecology are long overdue. While we are proud of the work done by the Ecology, we believe this report pulls together a comprehensive approach to the next steps in preventing oil spills in any of Washington’s marine waters, including Puget Sound, the outer coast, and the Columbia River. It represents consensus decision-making as requested by the Legislature. We have made a series of recommendations we believe will help accomplish our goals.

Our first recommendation is to permanently station a year-round rescue tug in the western portion of the Strait of Juan de Fuca. The tug has intervened 29 times since 1999, and even though it is not on duty in July and August, it is not uncommon for spills to occur during those months. To not have a tug capable of responding to a ship in distress on a 24/7 basis is taking a “cross your fingers approach.” It is like saying we will only have medics in the firehouse on weekends so be careful when you have your heart attack. While we recognize the current challenges with a contract operator, we believe that if the Legislature has the political will, it will give Ecology the tools and funding needed to station a tug at Neah Bay year round, even if it means having a State-owned tug built or requiring the maritime industry to pay for a tug. Our report discusses both options.

Occasionally “storms happen.” We are recommending creating an Ecology-managed tug fund for the placement of rescue/response tugs in other critical locations. This would enable the Department to hire and place a tug anywhere in Puget Sound, along our outer coast, or in the Columbia River, without getting permission or waiting for federal action.

Despite valiant efforts by the Department of Natural Resources and the Coast Guard, our waters are littered with abandoned and derelict vessels that are sinking and leaking oil, placing at risk our shellfish and fin fish industries. Our natural and cultural resources can not afford another “Catalla” on the beach or sunken barge in the Snohomish River. That is why we are asking the Legislature to provide a one-time allocation of funds to eliminate the back-log of derelict vessels, and to adequately fund a long-term derelict vessel clean-up program.

We are proposing common sense, sustainable funding for our recommended improvements. Our revenue proposal also funds the work the Legislature asked the Council perform. Our revenue stream recommendations could raise up to \$18 million, depending on the Legislature’s chosen method of implementation.

First, we recommend a change in the current barrel tax that eliminates the export credit for oil transported out of state. It just makes good sense to not give the oil companies a refund for placing our resources at risk on the second trip. Eliminating this refund will re-capture an estimated \$5.1 million per biennium in revenue. In addition, the Council has said “5 cents is 5

cents” and recommends eliminating the cap that allows a tax decrease when the Oil Spill Response Account reaches \$9 million. This change will raise an estimated \$2.8 million per biennium in new revenue.

Finally, we recommend the creation of an “Oil Spill Prevention and Response Service Transfer Fee” on all processed fuel transfers occurring on, over, or near Washington waters. This service fee on fuel transfers would be imposed anytime refined oil product is pumped on, near, or over State waters served by Ecology’s oil spill program. This risk-based fee is fair and equitable-- everybody pays! The oil industry has long said all users of the waterways should pay. Well, we agree. That is why recreational boaters that refuel at marinas, the cargo industry, cruise lines, fishing vessels, barges, as well as oil tankers are included. This fee is small, less than 3/100’s of a penny per gallon for the refined oil product pumped over our waters. It raises \$10 million.

A major spill in Puget Sound would spread “black icky goo” from the San Juan Islands to the State Capital, damaging our economy and our natural, cultural, and historic resources for decades to come. Three one-hundredths of a penny is a small price to pay to protect our children’s future.

In closing, I would like to thank our staff Jacqui Brown Miller and Dorine Coleman and our consultant Rob Frazier from Environmental International for their many hours of comprehensive and objective research. Thank you. And to the Council members, I would like to thank you for taking the many hours away from your day jobs to deliberate and reach consensus. A special thank you to Dale Jensen and his staff at Ecology and the staff at the Office of Financial Management and the Department of Revenue for taking the time to work with us and our consulting firm to make sure we had the information necessary to objectively analyze and reach consensus recommendations.